



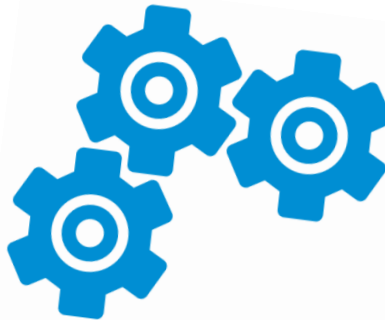
GPW2022

THE GPW GROUP STRATEGY

The logo for GPW2022, featuring a stylized hash symbol composed of red, green, and blue diagonal lines to the left of the text "GPW2022" in a bold, blue, sans-serif font.

- # Accelerated returns
- # Business lines' development
- # Stable dividend policy

- # Economic development
- # SME activation
- # Innovation catalyst



- # Client-centric products
- # New trading platforms
- # Advanced tools for investors and issuers

I. Strong starting position of the GPW Group

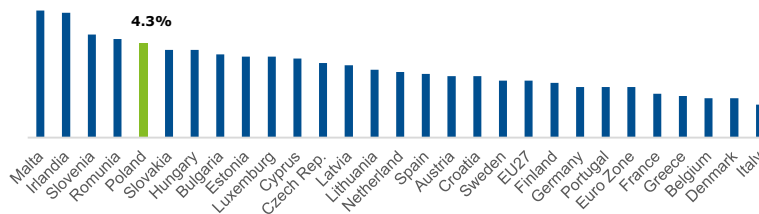
II. GPW Group's Strategy #GPW2022 objectives

III. The road to implementation: initiatives

Solid fundamentals of Poland's economy



◆ High expected GDP growth¹...



◆ ...and very strong economic readings...

6.1%
unemployment
in May 2018

1.5%
NBP reference
rate

38.4 mn
population

1.7%
inflation in May
2018

EUR 466 bn
GDP in 2017

5.2% YoY
GDP growth in
Q12018

◆ ...strengthen investor confidence

A2
outlook
stable

A-
outlook
stable

BBB+
outlook
positive

MOODY'S

Fitch
Ratings

STANDARD
& POOR'S

¹ Commission's European Economic Forecast Spring 2018
Source: Eurostat, GUS, NBP, Ministry of Family, Labour and Social Policy.

The Morawiecki Plan

- ◆ Capital market provides real support for the Morawiecki Plan implementation
- ◆ Strategy #GPW2022 matches the Government's economic objectives and the work on the Capital Market Development Strategy (SRRK)

Capital Market Development Strategy (SRRK)

- ◆ Capital market as the main driver of Poland's economy
- ◆ Legal environment friendly for investments
- ◆ Attracting capital to the market
- ◆ Capital market supports financing of Poland's infrastructure (ca. PLN 600 bn of investment in infrastructure required by 2030)

The Morawiecki Plan targets

- ◆ Investment growth to over 25% of GDP (almost PLN 500 billion)
- ◆ Increasing of expenditure on Research and Development (R&D) up to 2% of GDP
- ◆ Increasing the number of large and medium-sized enterprises to over 22 thousand
- ◆ Reindustrialization
- ◆ An increase in industrial production exceeding GDP growth
- ◆ Poland's GDP per capita at 79% of the EU average



GPW Group's competences: catalyst of business growth

1

Well-developed and stable market infrastructure (upgrade from Emerging Market to Developed Market)

2

Ability to identify new sources of revenue and technological competences (100% ability of trading system in 2017)

3

Broad offer of financial/commodity market products (e.g. equity, bonds, derivatives, energy, gas, data)

4

Solid financial results and highly profitable business (60.3% EBITDA margin in 2017)

5

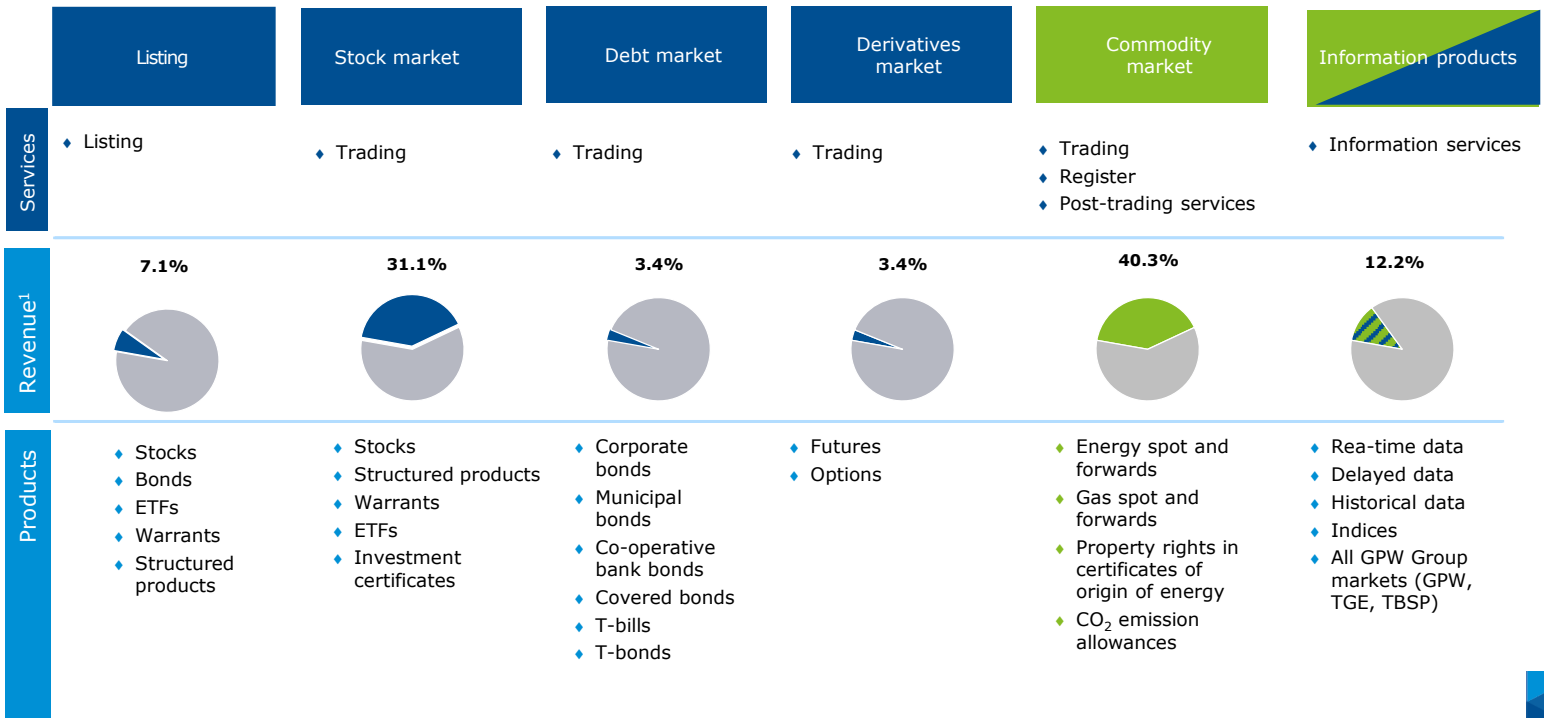
High effectiveness of investing in new ventures (e.g. Aquis Exchange: IRR +21%)

6

Building shareholder value (Total Shareholder Return: +23.1% in 2017)

GPW's diverse business model

GPW Group



¹ Excluding „other fees paid by market participants“ and „other income“, which accounts for respectively 2.3% and 0.3% of GPW Group's operating income; last 12 months ended 31 December 2017



We develop effective mechanisms of capital and commodity flows by providing exchange and clearing services which are **competitive in terms of quality and price** and **address the needs and expectations of our clients**: companies, investors, and brokers.



We support **economic growth** and build an **investment culture**. We develop an international **capital hub**.



We ensure **highest standards and safety** of trading **based on world-class technologies**.



As a team of professionals, we conduct an **integrated, effective business** geared to **growth**.

I. Strong starting position of the GPW Group

II. GPW Group's Strategy #GPW2022 objectives

III. The road to implementation: initiatives

Changes on mature exchanges

- ◆ Modification of the product offer and the business model
- ◆ Diversification of the revenue mix
- ◆ Fast-paced legal and regulatory changes (including MAR, MiFID II/MiFIR)
- ◆ Attempted mergers and acquisitions

More market competition

- ◆ Fragmentation of trading
- ◆ Regulations supporting alternative trading venues: MTFs and SIs
- ◆ OTC (over-the-counter) markets
- ◆ Sale of know-how to developing markets



Technological development

- ◆ Blockchain
- ◆ Big data / sale of highly processed data
- ◆ Advanced analytics
- ◆ AI
- ◆ Colocation and support services

REASONS FOR THE STRATEGY UPDATE

- ◆ Tap the growth potential of the Polish economy
- ◆ Address competitive challenges
- ◆ Create value added to existing business lines
- ◆ Reduce the impact of leverage on GPW Group's results
- ◆ Realize operating results planned in 2013

#GPW2022 is **GPW Group's growth programme** launched in 2014 and updated in 2017/2018. It follows a thorough analysis of the strategic review of our business, organisation and processes. **#GPW2022** aims to **support the growth momentum** with a range of initiatives which can support and generate **economic and social value** for all clients and shareholders of the Company in the long term.

Our assumptions



Grow the core business



Develop based on soft diversification and expansion to new business areas



Create and sell new technological solutions



Maintain a stable dividend policy

**LONG-TERM
CORPORATE GROWTH**

**Focused achievement
of financial targets**

Improved liquidity

**Better protection of
investors**

**More innovation and
productivity**

**Continuous expansion
of the product offer**

**Stronger position of
CEE's leader**

**Generating added
value**

**Enhanced corporate
governance standards**

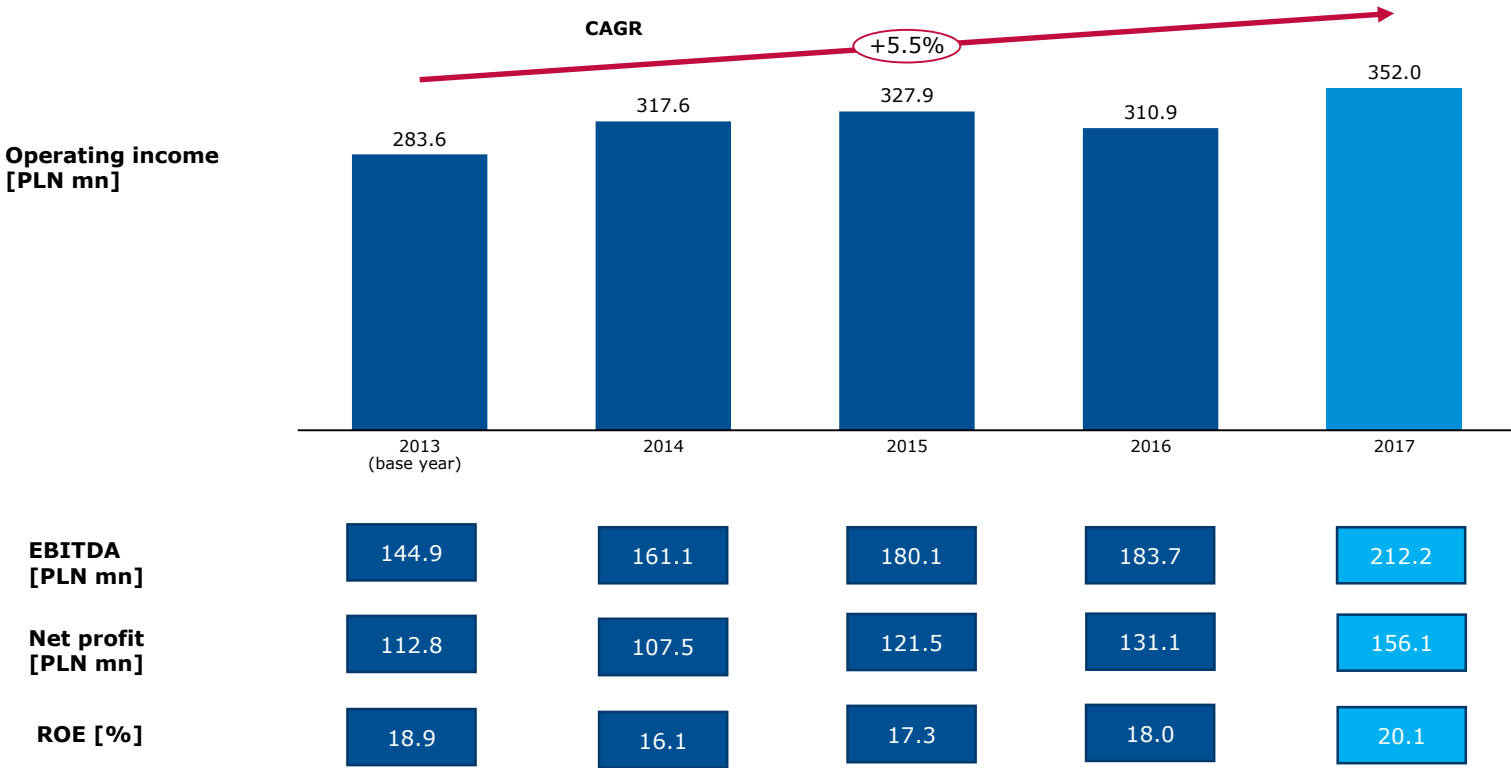
Deeper value chain

**Concentration of
electricity and gas
markets**

**Commodity price
setting**

Safe trade and clearing

Improvement of financials since strategy rollout in 2014



FINANCIAL TARGETS 2020

7%

Revenue CAGR 7%

288

EBITDA 2013 (PLN 144.9 m) to double in 2020 (PLN 288 m)

0.5

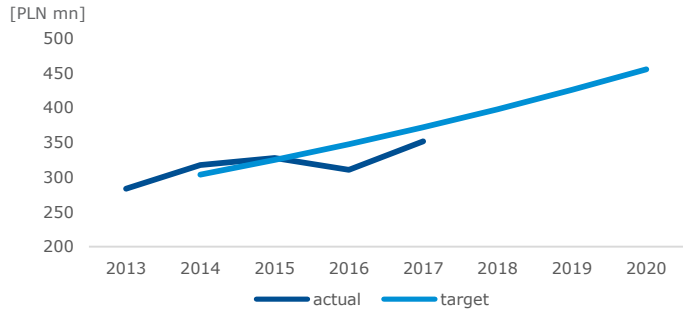
Cost/income ratio < 0.5

60%

Dividend payout ratio > 60%

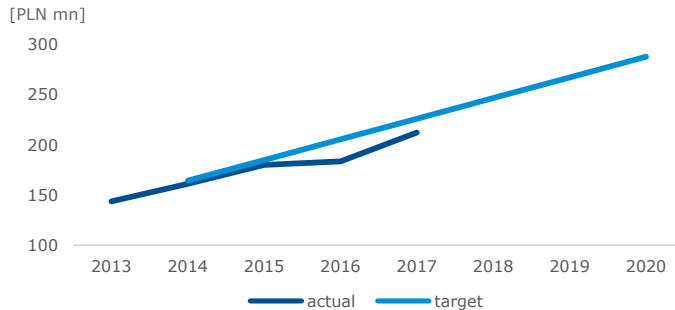
Initiatives as the key to financial targets

Revenue [PLN m] – Target: CAGR 2013-2020 = 7%

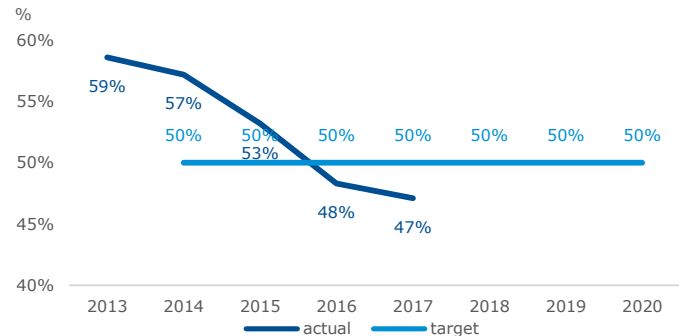


- ◆ Strong impact of strategic initiatives on revenue
- ◆ Strengthening of existing business lines
- ◆ Development of new business lines
- ◆ Diversification of sources of income
- ◆ Cost efficiency

EBITDA [PLN m] – Target: PLN m 288 in 2020



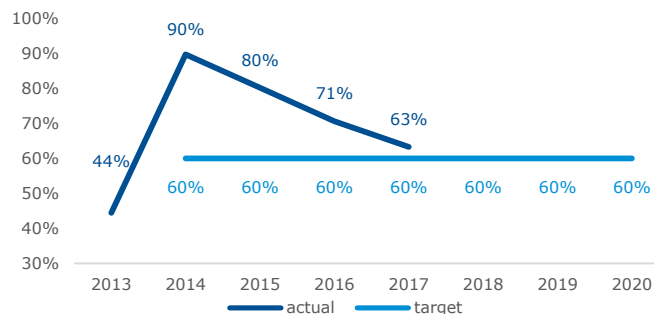
C/I (%) – Target: <50%



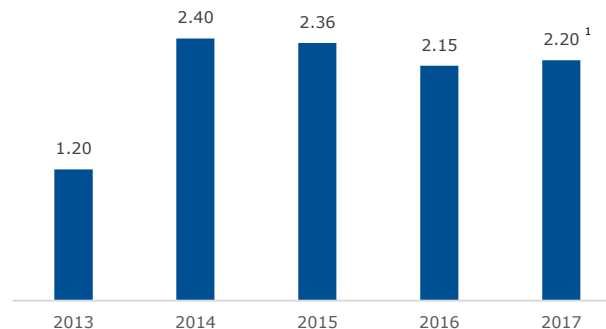
Attractive dividend policy to continue

*The GPW Management Board intends to recommend that the General Meeting **pay the dividend** depending on GPW's profitability and financial standing, **above 60%** of the consolidated net profit of the GPW Group for the financial year, attributable to the shareholders, adjusted for the share of profit of associates*

Dividend payout ratio [%] – Target: >60%

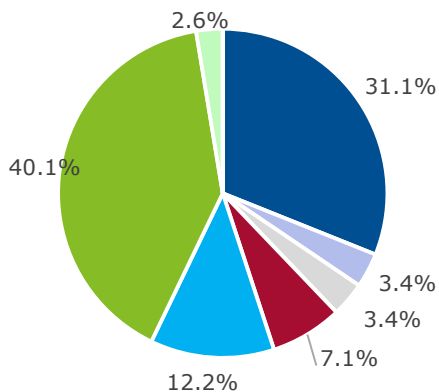


Dividend per share [PLN]

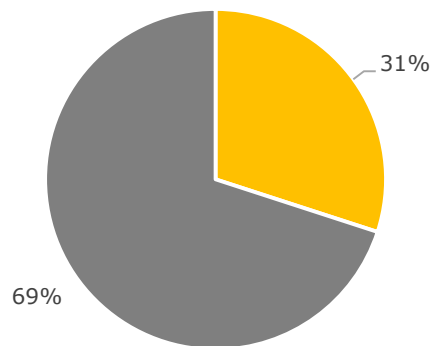


¹ GPW's General Meeting set the dividend record date at 19 July 2018 and the dividend payment date at 2 August 2018.

Revenue GPW Group, 2017



Revenue GPW Group, 2022



- Equity trading
- Information services
- Derivatives trading
- Other fees paid by market participants and other revenues
- Listing
- Commodity market
- Bonds trading

- Initiatives
- Present business

We have appointed the management team responsible for the strategy



Marek Dietl
GPW President
CEO



Jacek Fotek
GPW VP
CFO



Dariusz Kułakowski
GPW Board Member
CIO



Izabela Olszewska
GPW Board Member
Business Development
*(subject to approval by
KNF)*



Piotr Borowski
GPW Board Member
COO
*(subject to approval by
KNF)*



Piotr Zawistowski
TGE President & CEO



Piotr Woliński
BondSpot VP



Andrzej Kalinowski
IRGiT President & CEO



Wojciech Lipka
Instytut Analiz i
Ratingu
President & CEO



Aleksandra Bluj
GPW Benchmark
VP

Initiatives as the key to implementation of the strategy

GPW Group



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STOCK MARKET

Primary Market Development

- # Improvement of GPW's sales and educational offer for SMEs
- # New programme supporting SME value creation
- # More GPW-listed companies

Securities Lending System

- # Improved liquidity on GPW Group's cash and derivatives markets through promotion and expansion of securities lending and borrowing

DERIVATIVES MARKET

Derivatives Development

- # **New futures tailored to clients' needs**
- # **Promotion of market maker orders supporting liquidity of the order book**
- # **Extension of promotion and educational programmes for all groups of investors**

NEW BUSINESS LINES

GPW Private Market

- # Platform matching companies and investors on the private market
- # Expansion of GPW Group's offer for companies at all stages of growth

GPW Ventures

- # SPV to invest in venture capital funds (VC) as a passive investor
- # Improvement of GPW Group's innovative edge with investments in technology start-ups
- # Financing instrument supporting growth of Polish venture capital and, in the longer term, IPOs in Poland

DEBT MARKET

BondSpot Development

- # Full range of products and services on the debt market,
- # An offer addressed to a wide group of clients and participants on a single trading venue within the GPW Group

Rating Agency

- # Promotion of reliable ratings on the local fixed-income market,
- # Lowering the cost of raising capital for SMEs in the long-term

DEBT MARKET

Warsaw Repo Rate BondSpot Benchmark

- # Two new benchmarks on the bond market and the money market
- # Transparent and stable benchmark calculation methods based on transaction data
- # Improved transparency of transactions on the financial market
- # Compliance with Benchmark Regulation No 2016/1011 of 8 June 2016 ("BMR")

INFORMATION PRODUCTS

GPW Data

- # Business reporting standards ensuring automatic data processing and lower reporting costs for companies**
- # Use of big data technologies in collecting data relevant to capital market investments**
- # Implementation of artificial intelligence (AI) tools supporting foreign and local investors trading in financial instruments on GPW**

INFORMATION PRODUCTS

GPW TCA TOOL

- # **A set of tools for identification and analysis of transaction costs**
- # **Source of information for investors and brokers on data aggregated at micro market level**

COMMODITY MARKET

Organised Trading Facility (OTF)

- # Transformation of TGE's forward commodity market into an organised trading facility (OTF) under MiFID II
- # Further development of TGE's forward instruments with physical delivery of electricity and gas and financial instruments

Infrastructure Services Auction Platform

- # Auction platform of infrastructure services for the electricity and gas markets
- # Applicable for the power market

OTC Clearing

- # Clearing of services for electricity and gas forward contracts concluded on organized trading platforms or as part of bilateral transactions

COMMODITY MARKET

GPW Waste Platform

- # Electronic trading platform for waste and its recycling/disposal products as well as services tailored to the needs of the sector
- # A set of services tailored to the needs of the industry
- # The waste platform will implement the EU model of circular economy

We are beginning to implement initiatives on 2 July 2018

GPW Group



IR events

◆ **27-28 June 2018**

Spring European Midcap Event, Paris

◆ **31 July 2018**

H1 2018 results publication

◆ **30 October 2018**

Q3 2018 results publication

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